

FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF
THE LOW INCOME PARTIES TO
BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY
D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Ann Leary

Information Request LI 1-5

- Q. Please refer to Exh. KED/AEL-3b, p. 4, showing bill increases for Essex Gas R-4 (Low-income Heating) customers of 10.0% to 12.0%, depending on usage (higher consumption results in higher bill increases). Please provide a copy (or, where not available, a full description) of each mitigation measure, if any, that the Company (a) has adopted and (b) plans for these customers.
- A. The Company does not have specific plans for bill-impact mitigation measures in the Essex service area as a result of the implementation of the combined CGA. The Company's proposal is designed to charge customers fairly and appropriately for the cost incurred to provide them with safe and reliable service. Customers in the Essex service area have enjoyed significant cost savings since the merger in 1998, with a CGA that has typically been well below the CGA for customers in the Boston Gas and Colonial service areas. The Company's proposal would simply bring the price charged to Essex customers more in line with the actual costs incurred to serve them and would put those customers on par with other customers served within the KeySpan service territory. Although Essex customers will experience increases in the CGA as a result of the implementation of the combined CGA, the ultimate price level will not be unusually high or even any higher than what customers are paying on other areas of the system. Thus, to the extent that bill impacts are a concern, they are only a concern in terms of transitioning to a combined CGA, and not in terms of the resulting price level. Accordingly, the Company is willing to consider a proposal that would facilitate the transition to a combined CGA for Essex customers, as long as the proposal ultimately results in just and reasonable rates for all KeySpan customers.